

## PRE-BID MEETING

Date of meeting: \_\_\_\_\_

Grantee: \_\_\_\_\_ Grant Number: \_\_\_\_\_

Labor Standards Officer: \_\_\_\_\_ Civil Rights Officer: \_\_\_\_\_

Bid Opening Date: \_\_\_\_\_ Project Name: \_\_\_\_\_

Current Wage Decision: \_\_\_\_\_ (Included with Bid Specifications)

**The following information is provided to explain the various requirements and regulations for construction projects funded in whole or part with Community Development Block Grant (CDBG) funds administered by the Indiana Department of Commerce (IDOC).**

### I. GENERAL INFORMATION

1. A copy of the federal wage decision referenced above and the Federal Labor Standards Provisions (HUD-4010) must be physically attached to the contract that the grantee signs with the contractor. Furthermore, these two documents must be physically attached to all subcontracts the contractor enters into with its subcontractors.
2. If a subcontractor fails to comply with all applicable regulations, funds shall be withheld from the general contractor until all subcontractors have fulfilled all requirements. Likewise, the grantee shall withhold funds from the general contractor if it fails to comply with all applicable regulations.

### II. EQUAL EMPLOYMENT OPPORTUNITY

1. **TITLE VI – CIVIL RIGHTS ACT OF 1964**  
A contractor or subcontractor employed on this project is subject to Title VI of the Civil Rights Act of 1964. This law states that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
2. **SECTION 3 – HOUSING AND URBAN DEVELOPMENT ACT OF 1968**  
Section 3 provides that to the greatest extent feasible, contractors and subcontractors should make training and employment opportunities available to lower-income residents of the project area and that contracts resulting as a portion of this project be awarded to small businesses located within the project area owned in substantial part by project area residents. In order to monitor this federal requirement, the contractor must complete a Section 3 report.

3. **SECTION 504 – REHABILITATION ACT OF 1974**  
A contractor or subcontractor may not discriminate against an otherwise qualified individual from participating in, or enjoying the benefits of, this project as a result of a physical handicap.
4. **EXECUTIVE ORDER 11063**  
Executive Order 11063 provides that no person on the basis of race, color, religion, sex, or national origin, shall be discriminated against in federal housing assistance, including lending assistance.
5. **EXECUTIVE ORDER 11246, AS AMMENDED BY EXECUTIVE ORDER 11375**  
Executive Order 11246 provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in any phase of employment on federally assisted construction contracts.
6. **AFFIRMATIVE ACTION PROGRAM**  
All contractors or subcontractors **awarded a federal contract or subcontract in excess of \$50,000.00 and having more than 50 employees** must have an Affirmative Action Plan established in writing and on file in its place of business. Failure to have an Affirmative Action Program may result in sanctions established under section 209(a) of Executive Order 11246. Said Affirmative Action Plan shall include the contractor's or subcontractor's table of job classifications, the number of minorities and women in said classifications, and an analysis of minority representation and hiring practices. A Copy of said plan shall be forwarded to the IDOC Office of Grants Management.
7. **OTHER REQUIREMENTS**
  - A). The contractor must display the Civil Rights poster on the project sight in a location accessible to all employees. In addition, if the contract involves housing construction, then the Fair Housing poster must also be displayed at the job sight. Said poster should be obtained from the Civil Rights Officer.
  - B). The Civil Rights Officer must ensure that the grantee displays the Civil Rights Poster and the Fair Housing Poster regardless of the type of construction project.
  - C). The Civil Rights Officer must ensure that the grantee forwards a Certificate of Accessibility to the IDOC before construction begins.
8. **POSTERS AT THE CONSTRUCTION SITE**  
Along with the civil rights posters mentioned previously, the contractor shall be required to display the following posters at a location on the construction site easily accessible to all workers:
  - A). Federal IOSHA poster
  - B). Federal Polygraph poster
  - C). Secretary of Labor's Wage poster (Notice to Employees)
  - D). A copy of the valid wage decision for this project

The contractor shall obtain these posters and wage determination from the Labor Standards Officer. These posters should be displayed in an environment at the construction site protected from the elements.

### **III. LABOR STANDARDS**

#### **1. INELIGIBLE CONTRACTORS AND SUBCONTRACTORS**

The contractor cannot hire or enter into a subcontract with any contractor or subcontractor that has been debarred from working on federally funded construction projects. The eligibility status of all contractors must be verified by the IDOC before they are allowed to perform work on this project. The contractor shall notify the Labor Standards Officer of all subcontractors to be used on this project, including second and third tier subcontractors. The Labor Standards Officer will then contact the IDOC to verify their status.

#### **2. OVERTIME**

All contractors and subcontractors working on this project must pay its workers time and one half for all hours worked in excess of 40 hours per week. If the overtime takes place on this project, workers must be paid time and one half at the appropriate hourly base rate listed on the wage determination. Workers must receive hourly fringe benefits and / or a cash equivalent for all hours worked, including overtime. However, fringe benefits do not have to be paid at time and one half.

#### **3. COPELAND ANTI-KICKBACK ACT**

A). It is illegal for contractors and subcontractors to coerce or intimidate employees working on this project to give back any of their wages earned on this project.

B). All contractors and subcontractors working on this project must keep accurate payroll records of all hours worked on this project, including signed time cards. Said records must be maintained for three years.

C). Employees working on this project must be paid for their work not less often than weekly.

D). All contractors subcontractors must submit weekly payroll records to the Labor Standards Officer.

#### **4. OTHER LABOR STANDARDS REQUIREMENTS**

A). No contractor or subcontractor shall employ workers on this project under the age of 16.

B). Contractors and subcontractors are not permitted to make payroll deductions which are contrary to state and federal law.

### **IV. DAVIS-BACON REQUIREMENTS**

#### **1. GENERAL REQUIREMENTS**

All contractors and subcontractors must pay their workers no less than the hourly wages listed on the federal wage determination for each classification of work performed on this project (e.g., a person performing electrical work shall be paid as an electrician, a person performing carpentry work should be paid as a carpenter, etc.) In addition, if the applicable wage determination contains an hourly fringe benefit amount, the worker must

receive benefits equal to that amount or a cash equivalent. All workers must be paid, in full, at least once a week. These requirements also apply to salaried workers employed on this project. Salaried employees are not exempt from receiving the proper hourly wage and benefits listed on the federal wage determination. It is the responsibility of the general contractor to clearly communicate all labor standards and Davis-Bacon requirements to all subcontractors employed on this project. Should any subcontractor violate any Davis-Bacon provisions, payments may be withheld from the contractor until such time a determination is made that said violations have been rectified. Likewise, funds may be withheld should the contractor be found in violation of these same requirements.

2. **CLASSIFICATIONS**

All workers must be paid at an hourly rate for the type of work performed. For example, workers performing electrical work must be paid at the electrician rate, workers operating equipment must be paid at the operating engineer rate, etc. Contractors and subcontractors shall not use helpers on this project unless a helper classification appears on the wage determination. Only the classifications listed in the applicable wage determination or apprentices may be used on this project. Laborers are not permitted to perform any skilled work which falls under the classification of another trade. For example, a laborer cannot perform any electrical, carpentry, plumbing, sheet metal, etc., work on this project. All contractors and subcontractors having questions regarding the classification of workers shall direct all inquiries to the Labor Standards Officer. The Labor Standards Officer shall contact the IDOC Grants Management Office for any assistance in answering questions of classification.

3. **APPRENTICES**

Contractors and subcontractors may use and classify workers on this project as apprentices provided that said workers participate in a bona fide apprenticeship program recognized by the U.S. Department of Labor, Bureau of Apprenticeship and Training. If a contractor or subcontractor intends to utilize apprentices on this project, they must forward documentation to the Labor Standards Officer that said workers are registered with the Bureau of Apprenticeship and Training. Contractors and subcontractors cannot exceed the ratio of apprentices to journeymen as established by that agency.

4. **WEEKLY PAYROLL REQUIREMENTS**

A). All contractors and subcontractors shall be required to submit certified weekly payroll records to the Labor Standards Officer. These reports shall be submitted on weekly basis no later than ten days after the end of each pay period.

B). The weekly payroll information shall be submitted on form WH-347. If a contractor or subcontractor elects to submit a computerized printout of its weekly payroll, then form WH-348 must be completed and attached with each printout. Forms WH-347 and WH-348 are required for all weeks from the time work begins to the time work is completed.

C). The first weekly payroll should be indicated as the "initial" payroll; the final payroll should be indicated as the "final" payroll. If no work is performed during any given week, a contractor and subcontractor must still submit a WH-347 or WH-348 and indicate "no work this period" on said form. Both the front and back of form WH-347 must be completed. Forms WH-347 and WH-348 must be signed by an authorized

representative of the company responsible for the payment of its workers. In other words, a secretary or clerk should not sign these documents.

D). If a worker performs more than one classification per week on this project, the division of work shall be indicated on separate lines of the payroll.

E). If workers perform work on a private project during the same week they work on this project, the total weekly pay must be indicated on the weekly payroll form along with the amount paid on this project.

F). Salaried employees must be paid the proper hourly wage and benefits and be included on the weekly payrolls.

## 5. FRINGE BENEFITS

A). If the applicable wage determination contains an hourly fringe benefit rate, all employees of all contractors and subcontractors must either: 1) receive recognized benefits equal to that amount for all hours worked on this project; 2) receive that fringe benefit amount as a cash payment for all hours worked on this project, or; 3) receive a combination of recognized fringe benefits and cash payments equal to the fringe benefit amount for all hours worked on this project. Hourly fringe benefit rates shall be calculated or pro-rated using 2080 hours per year. Fringe benefit credit will only be given to benefits already received or vested and paid directly by the company. Credit will not be granted for any fringe benefit amount paid for or matched by an employee or for fringe benefits forfeited upon employment termination.

B). Contractors and subcontractors must submit documentation to the Labor Standards Officer indicating the nature of and the amounts paid into a fringe benefit program. For example, a union contractor paying into various fringe benefit packages should submit copies of their contract listing its fringe benefit payments. Another example would be a cover letter indicating this same information.

C). The IDOC recognizes the following as bona-fide fringe benefit plans:

- 1) health, life, or other similar insurance
- 2) pension or retirement contributions into a plan recognized by the Internal Revenue Service
- 3) expenses of recognized apprenticeship or other training programs
- 4) vacations, holiday pay, sick pay

D). The IDOC does not recognize the following as bona-fide fringe benefits:

- 1) travel time
- 2) bonus payments
- 3) use of company tools or equipment

E). Deductions required by law (e.g., social security, worker's compensation, unemployment insurance, taxes, etc.) are not considered fringe benefits under Davis-Bacon law.

F). Fringe benefit payments must be paid to employees for all hours worked on this project, including overtime hours. However, said payments do not have to be paid at time and one half for overtime hours.

6. SELF-EMPLOYED OWNERS

A). Independent subcontractors and self-employed owners are considered to be subcontractors of the contractor and are subject to the same requirements as are all subcontractors. Independent subcontractors and self-employed owners must submit and be listed on weekly payroll forms. They must list all hours and days worked. However, they do not have to list the amount they are paying themselves.

B). All independent subcontractors and self-employed owners must receive the same hourly prevailing wage and benefits based on the type of work performed (electrician, carpenter, etc.). Arrangements based on piece work, square footage, or contract labor are not permitted if independent subcontractors, self-employed owners, or other employees do not receive at least the hourly wage and benefits listed in the wage determination.

7. COMPLIANCE

A). If the contractor or its subcontractors do not pay the proper hourly rate and fringe benefit on this project, the grantee shall withhold a necessary amount from the contractor until restitution is made.

B). The contractor may be liable for liquidated damages if its workers or those of subcontractors on this project are not paid the proper hourly wage and benefit.

C). The Labor Standards Officer shall visit the job site and interview at least ten percent of each trade of each contractor and subcontractor employed on this project. The workers will be interviewed and the Labor Standards Officer will complete the "Record of Employee Interview" (form HUD-11) and maintain said form in the grantee's project file.

D). Representatives from the U.S. Department of Labor, HUD, and the IDOC shall be permitted to interview workers on the job site and have access to the payroll records of all contractors and subcontractors employed on this project.